

Trends in Federal Funding DC Grants Management Conference

Federal Funds Information for States
www.ffis.org

Washington, DC
July 25, 2019

Overview

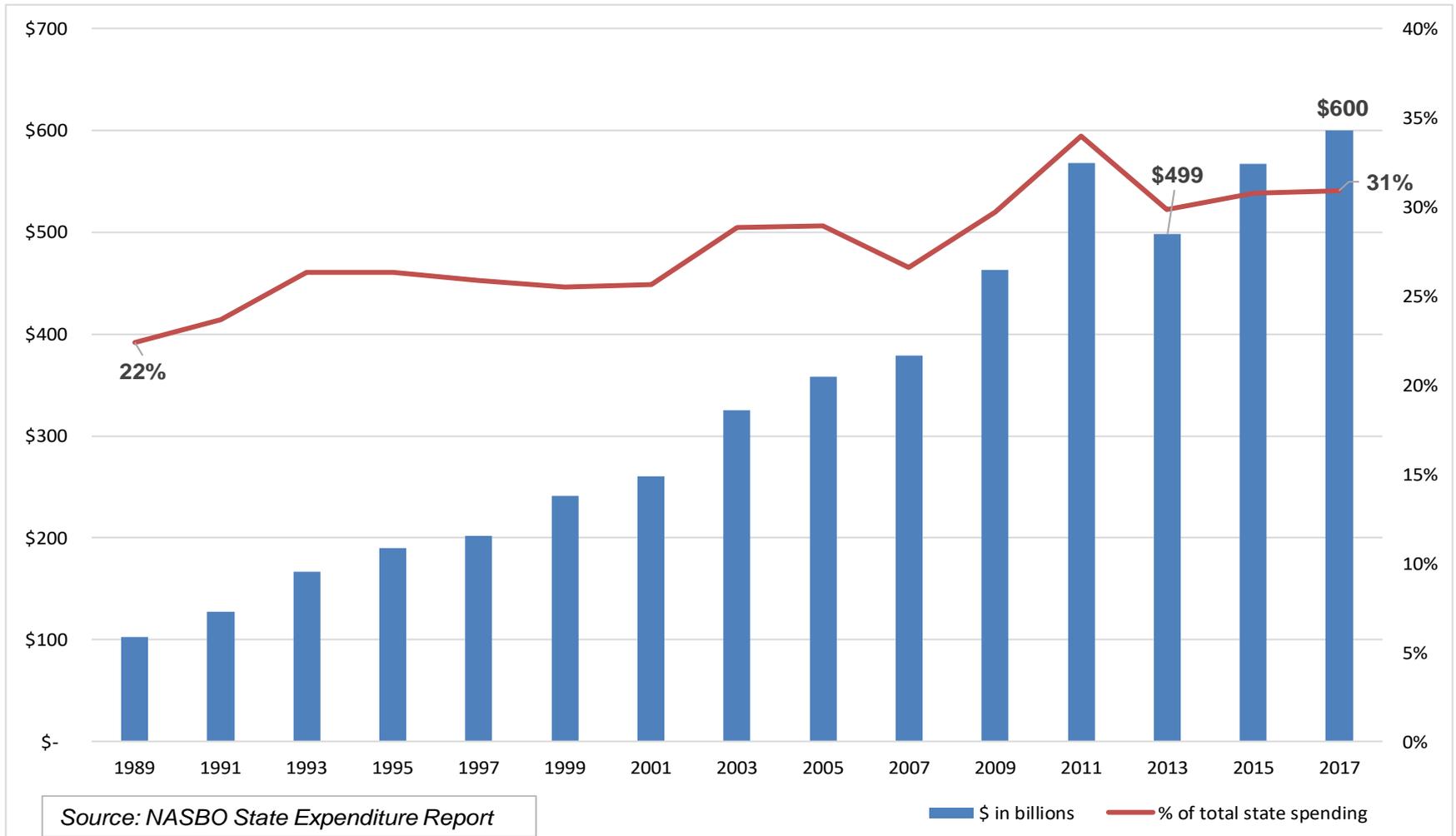
Background on federal grants

A federal budget update

A few reality checks

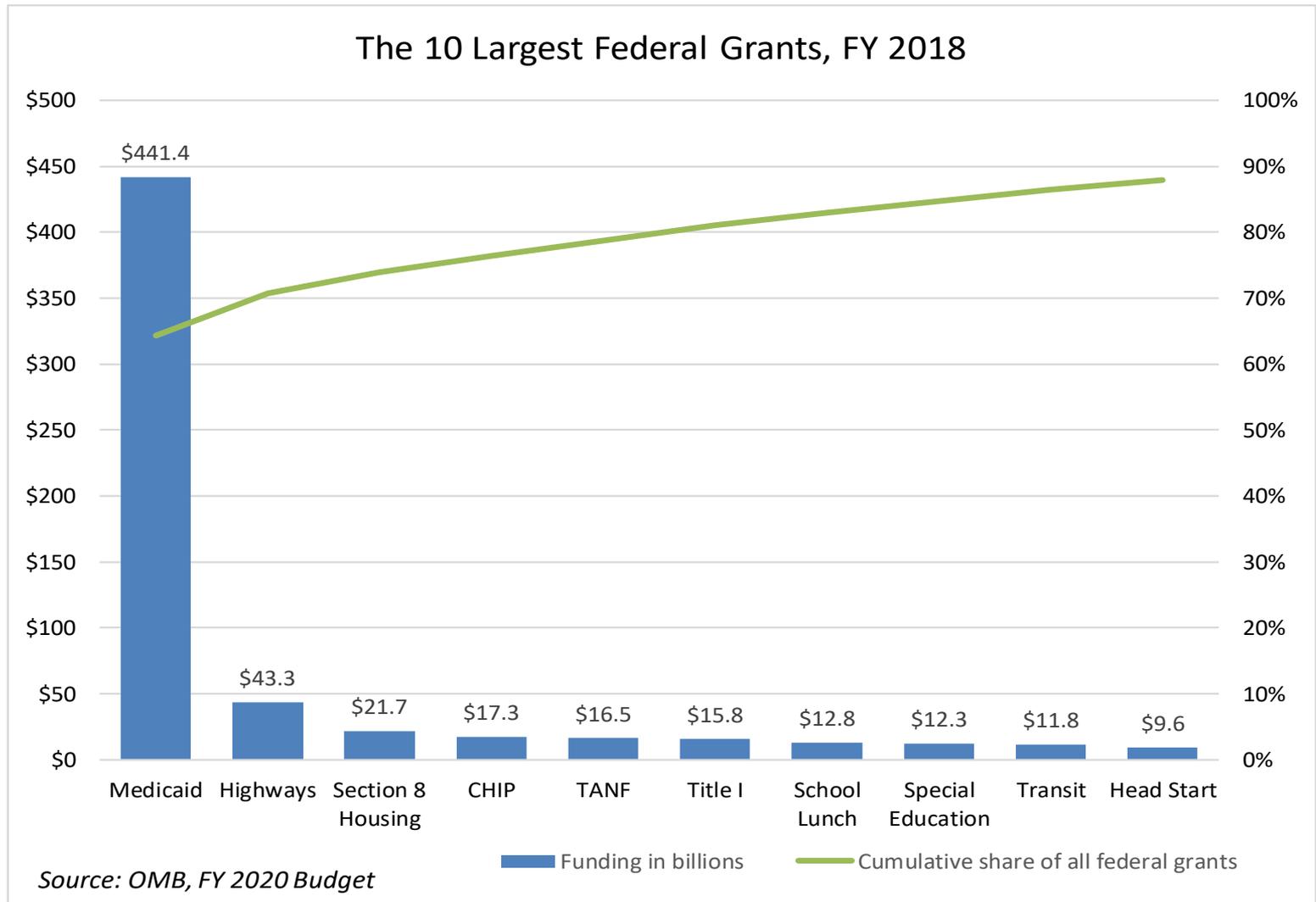


Grants are a growing share of state spending





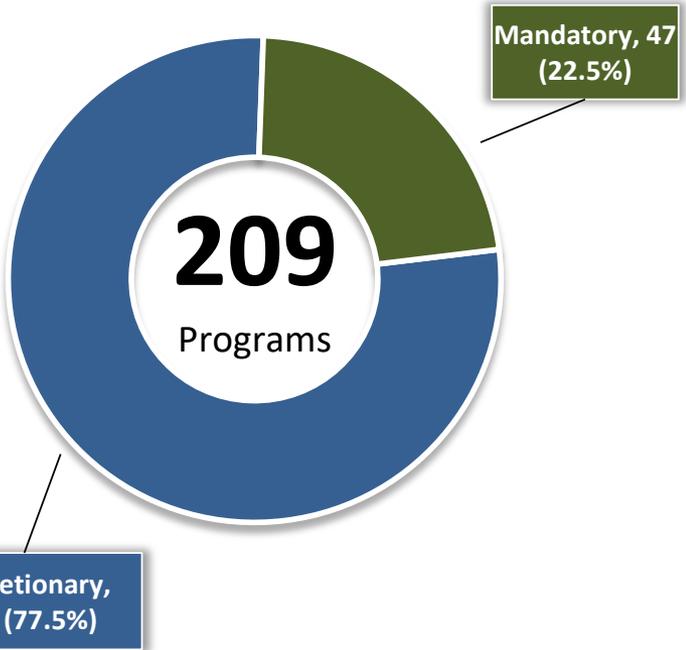
The largest grants dominate total funding



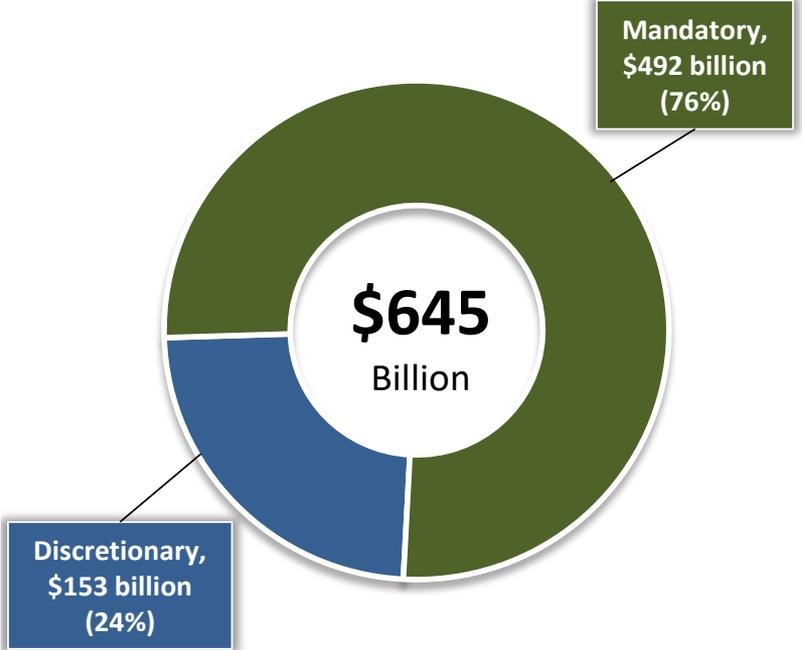
Lots of discretionary programs

Lots of mandatory money

Distribution of Grants by Type, FY 2017



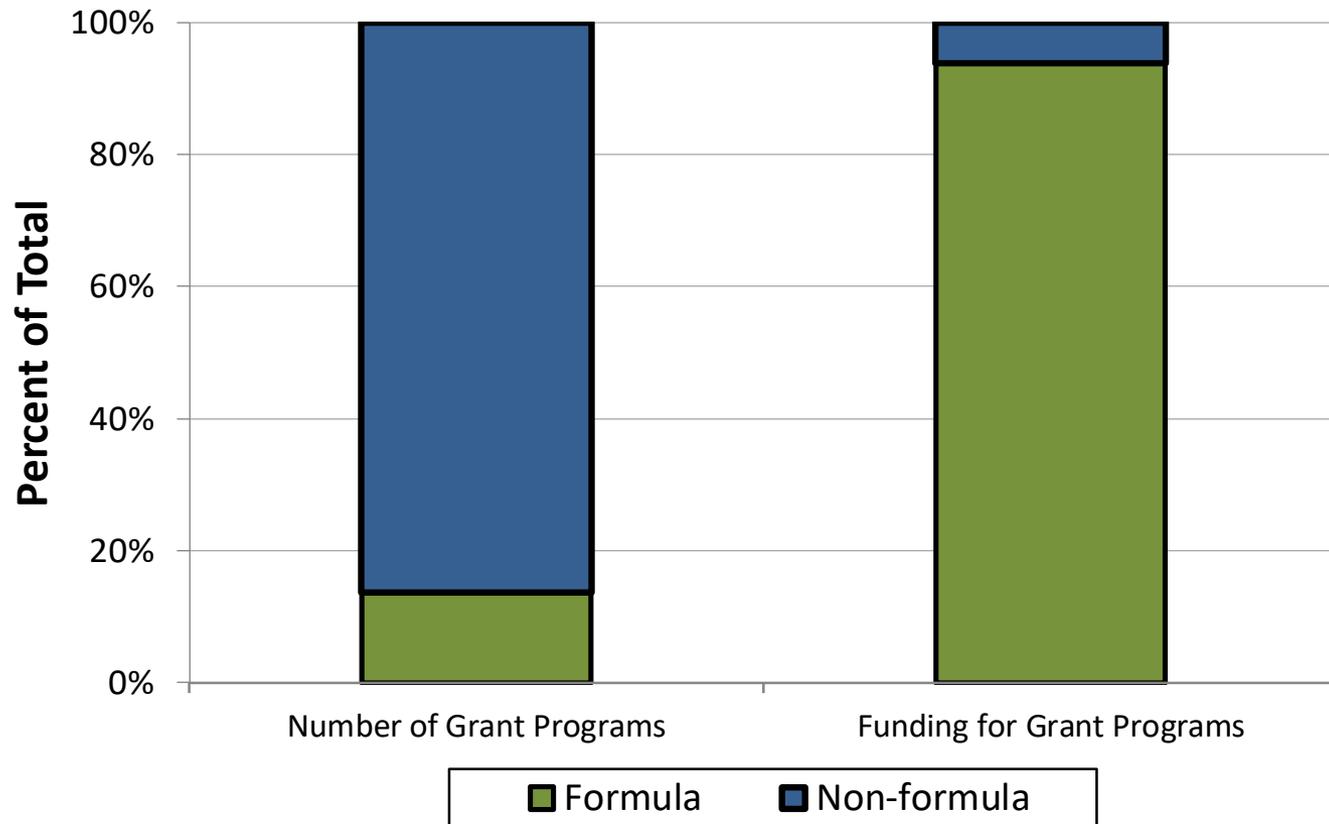
Distribution of Grants by Funding, FY 2017



Lots of competitive programs

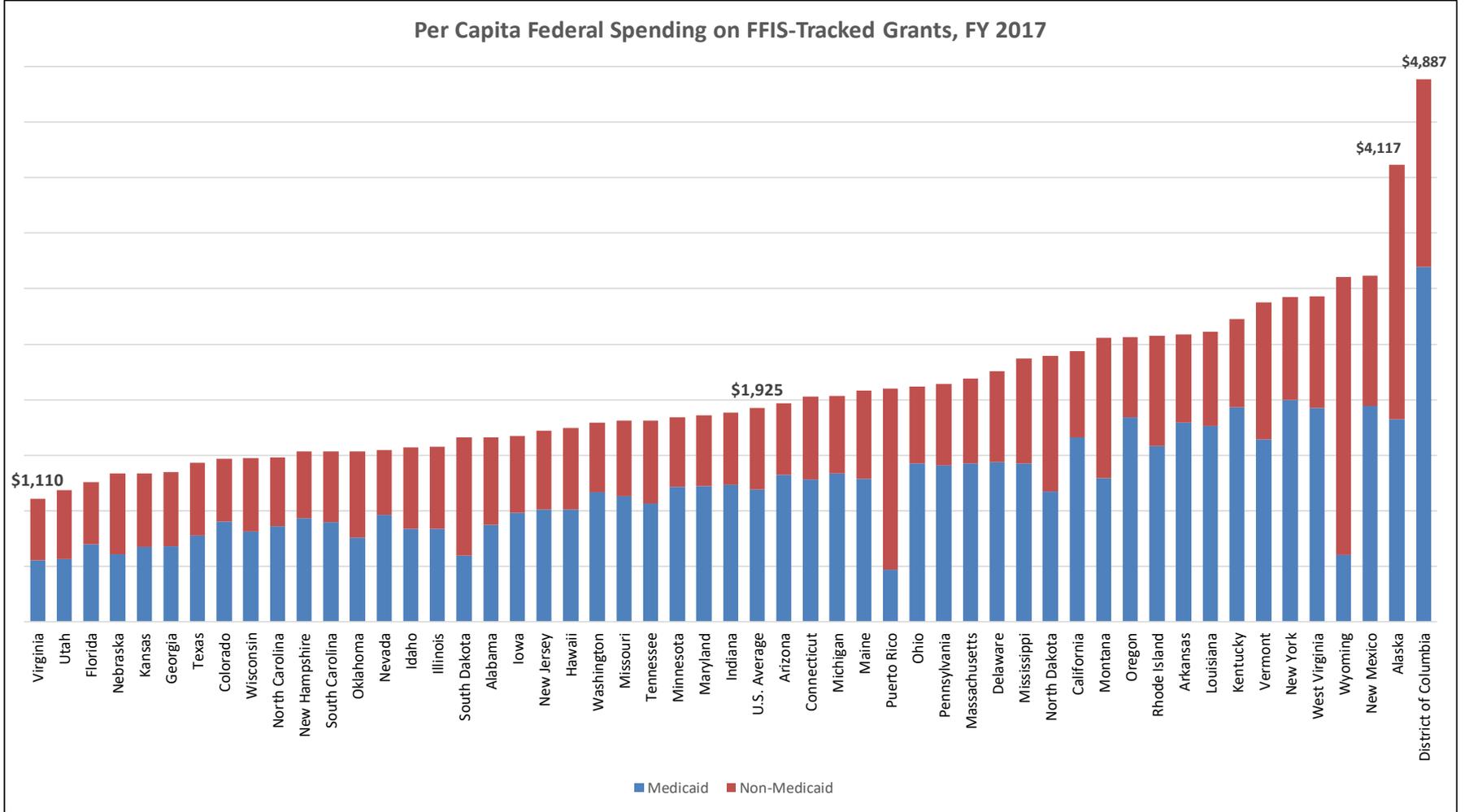
Lots of formula money

Formula Grants as a Share of Total Federal Grants and Funding to State and Local Governments, FY 2017

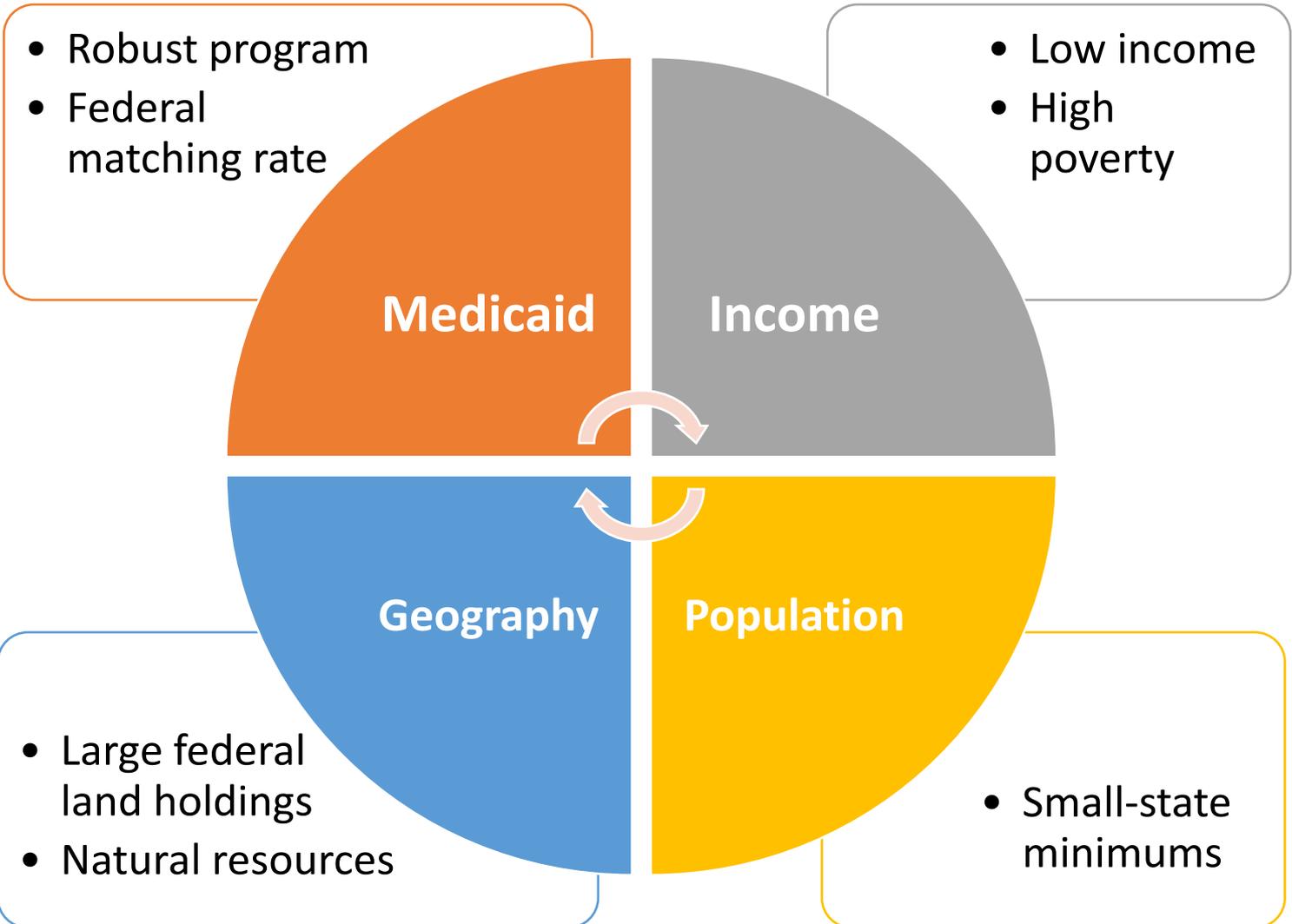




How states stack up

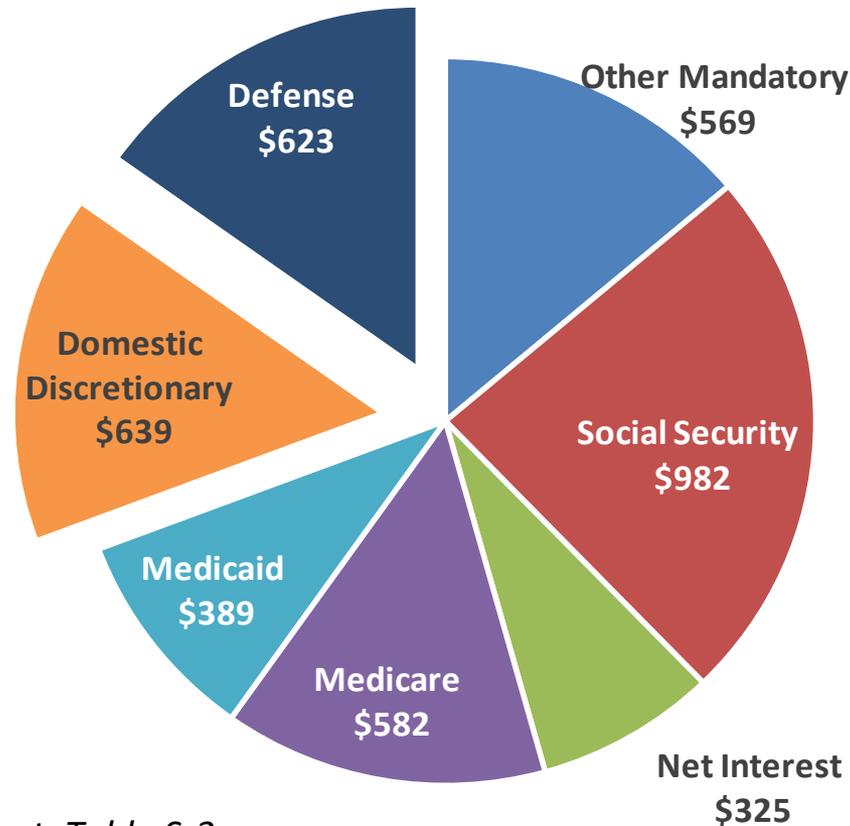


But why? How the money flows



Federal budget update

Federal Outlays in FY 2018
(\$ in billions)



Other mandatory includes:
 Federal retirement
 UI
 Nutrition
 TANF
 SSI
 EITC

Source: FY 2020 budget, Table S-3

BBA 2018

Raised discretionary caps in FY 18 and FY 19

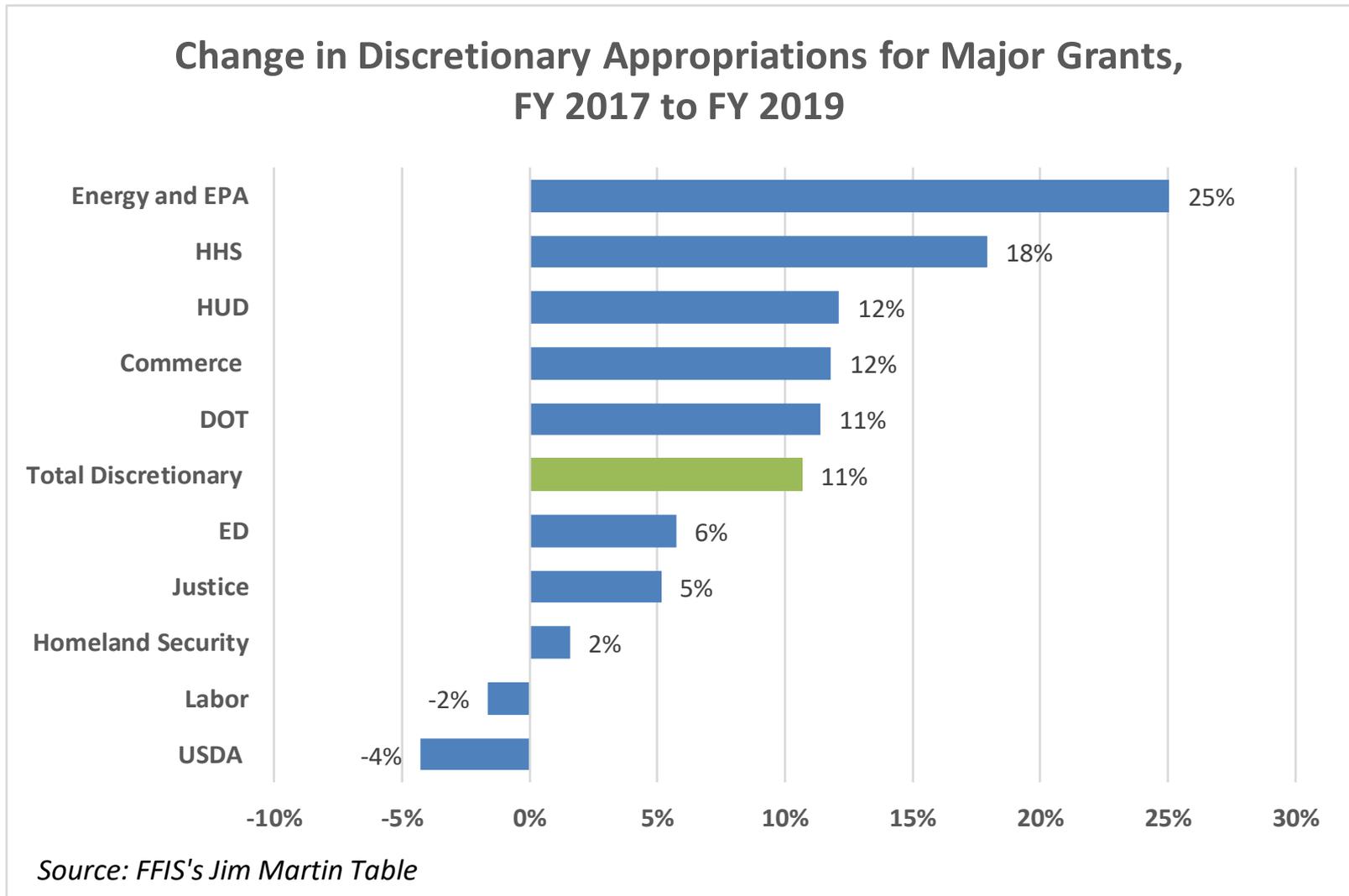
“Side agreement” extra funding

Extended mandatory sequestration

Disaster relief

Suspended debt limit until March 2019

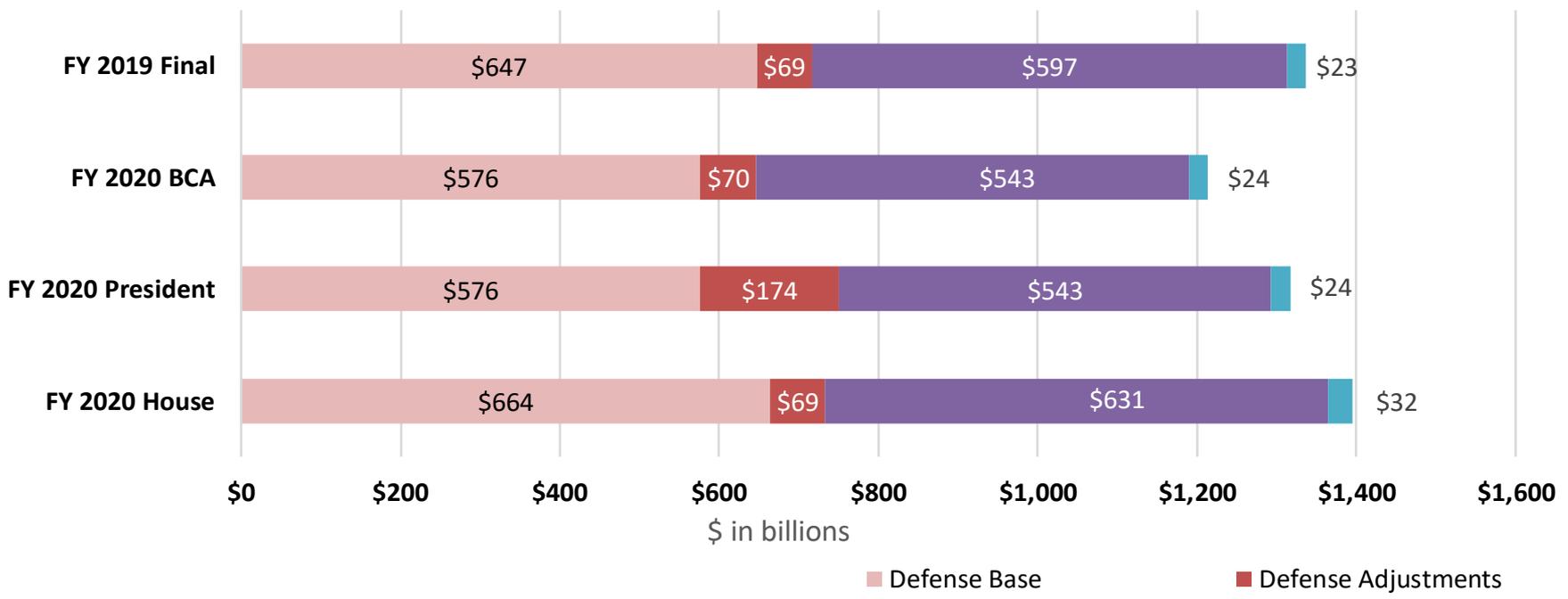
BBA led to big spending increases



Back to the BCA?



Current-Law and Proposed Discretionary Spending

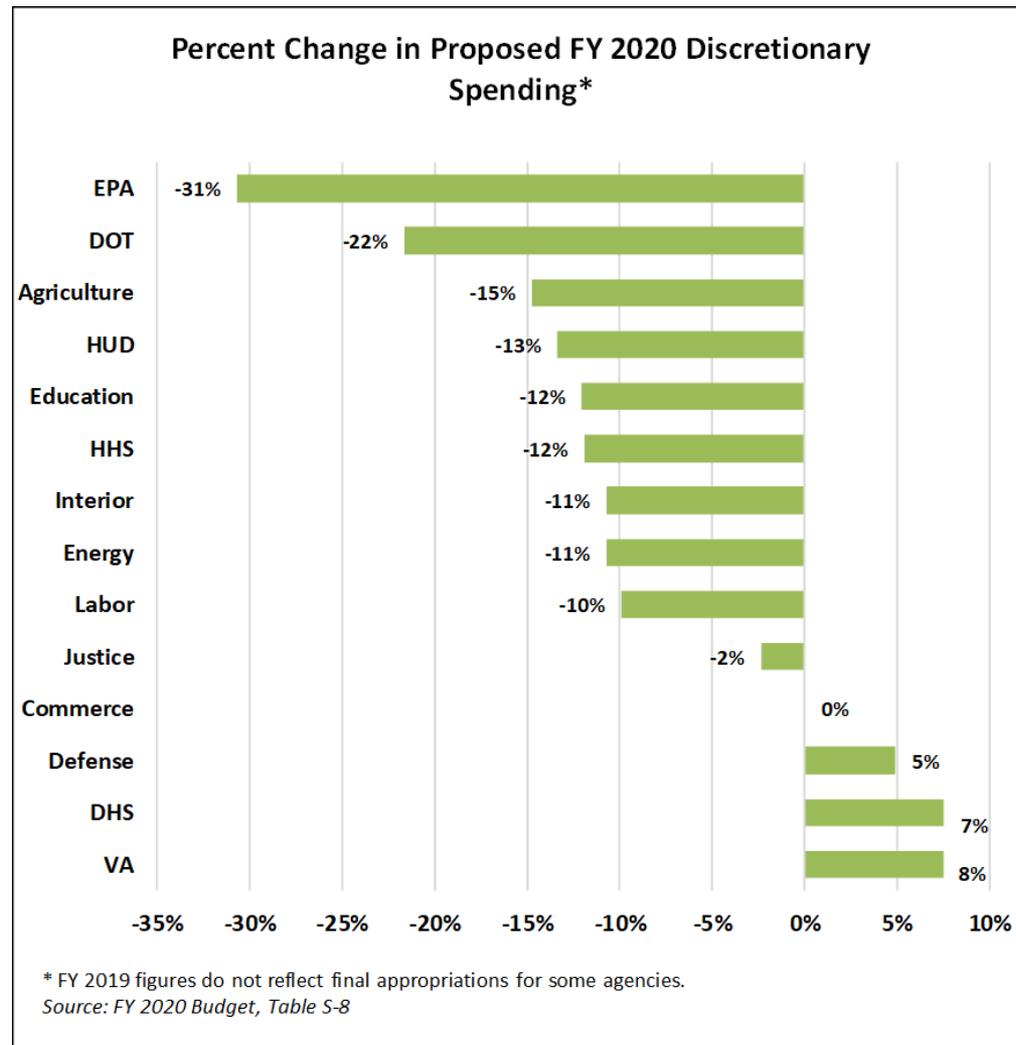


Source: FY 2020 Budget, Table S-7; H.R. 2021

■ Defense Base ■ Defense Adjustments
■ Non-Defense Base ■ Non-Defense Adjustments



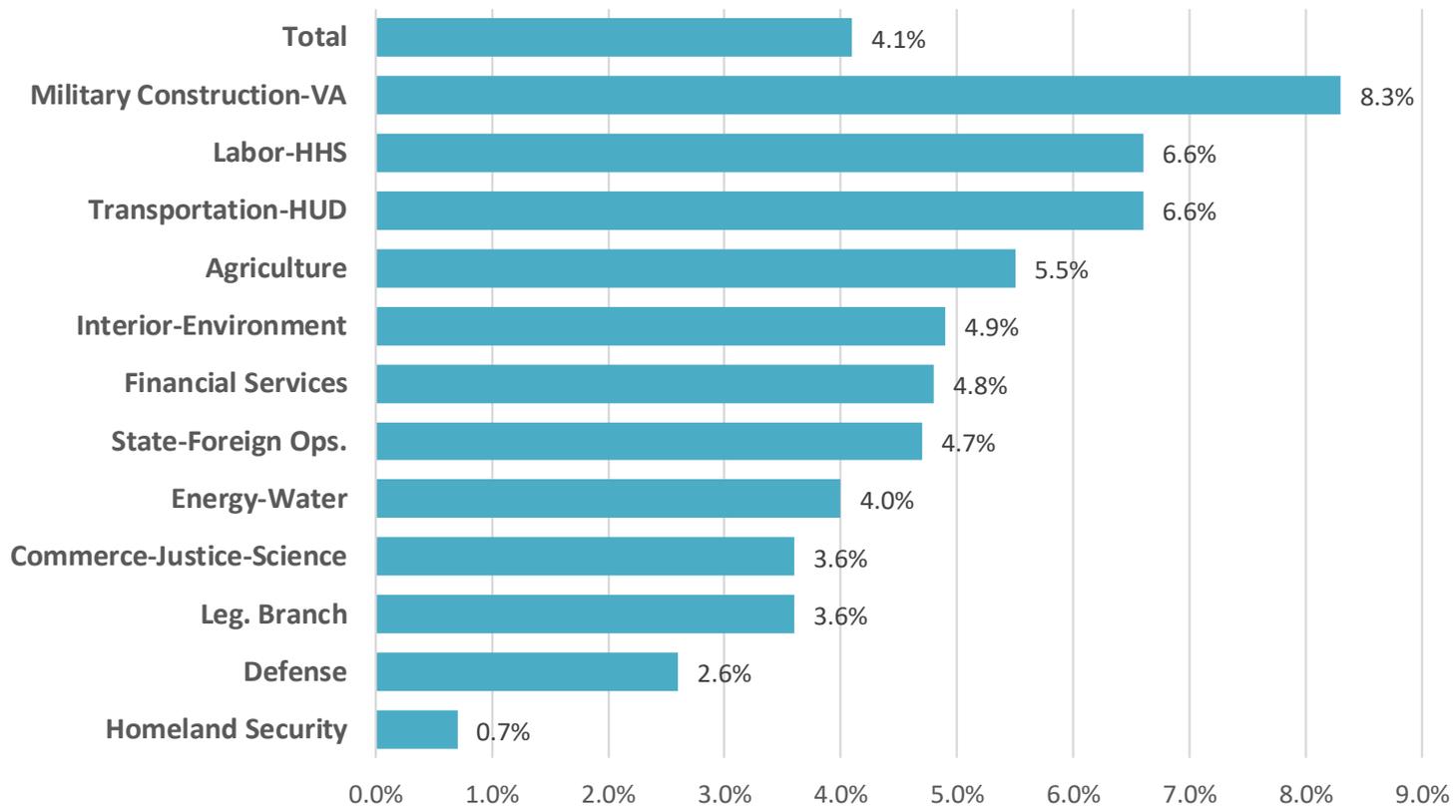
Administration priorities



House priorities



FY 2020 House Allocations Versus FY 2019



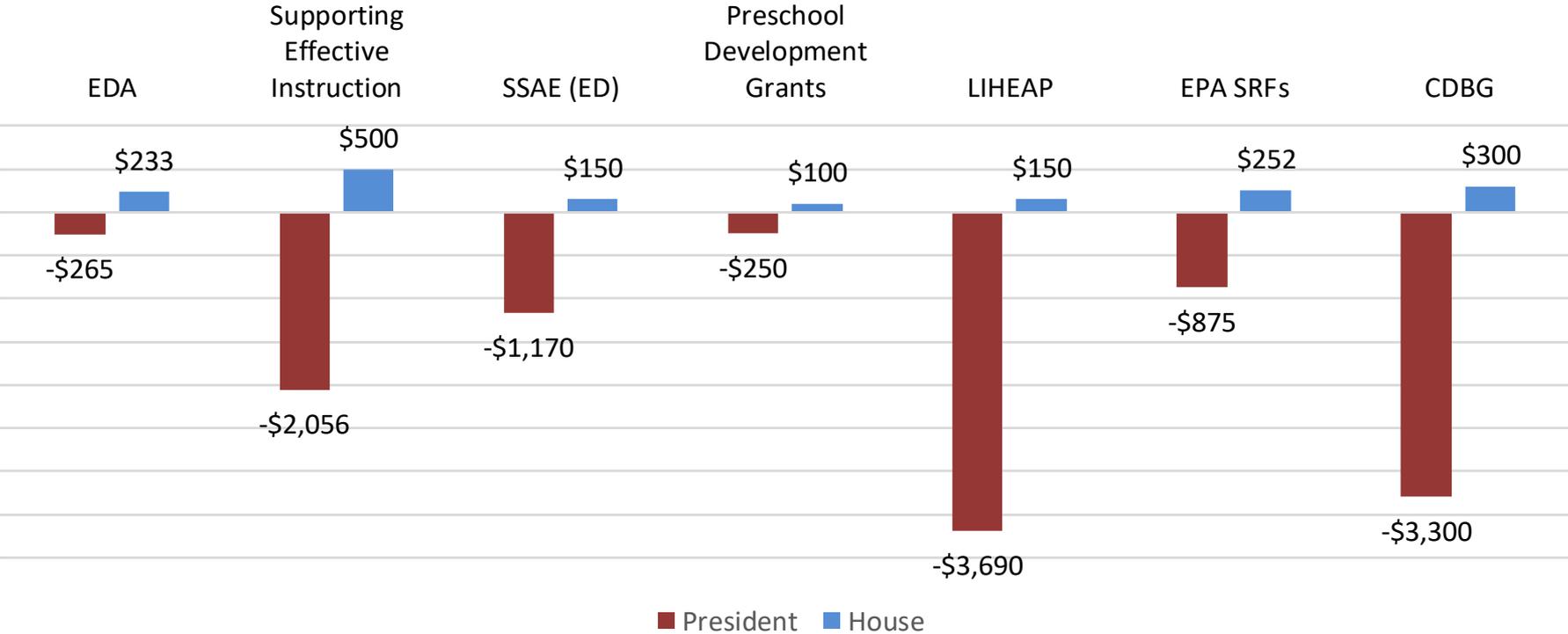
Source: Congressional Quarterly

President v. House, illustrated



Change from FY 2019: FY 2020 President's Budget and House Recommendation

(\$ in millions)



Progress so far



FY 2020 Appropriations Progress		
Appropriations Subcommittee	Status	
	House	Senate
Defense	P	
Energy and Water	P	
Labor/HHS/Education	P	
State/Foreign Operations	P	
Agriculture	P	
Commerce/Justice/Science	P	
Interior and Environment	P	
Military Construction/Veterans	P	
Transportation/HUD	P	
Legislative Branch	C	
Financial Services/General Gov.	P	
Homeland Security	C	

P=Full chamber; C=Committee; S=Subcommittee

2019 program expirations



TANF+ (6/30/19)

- Mandatory
- \$20+ billion
- Requires extension or reauthorization

Secure Rural Schools (9/30/18)

- Mandatory
- \$252 million
- Reverts to 25% authorization

Money Follows the Person

- Medicaid demonstration
- Funds appropriated through FY 2019 (\$132 million)

Flood Insurance (9/30/19)

BBA extensions (9/30/19)

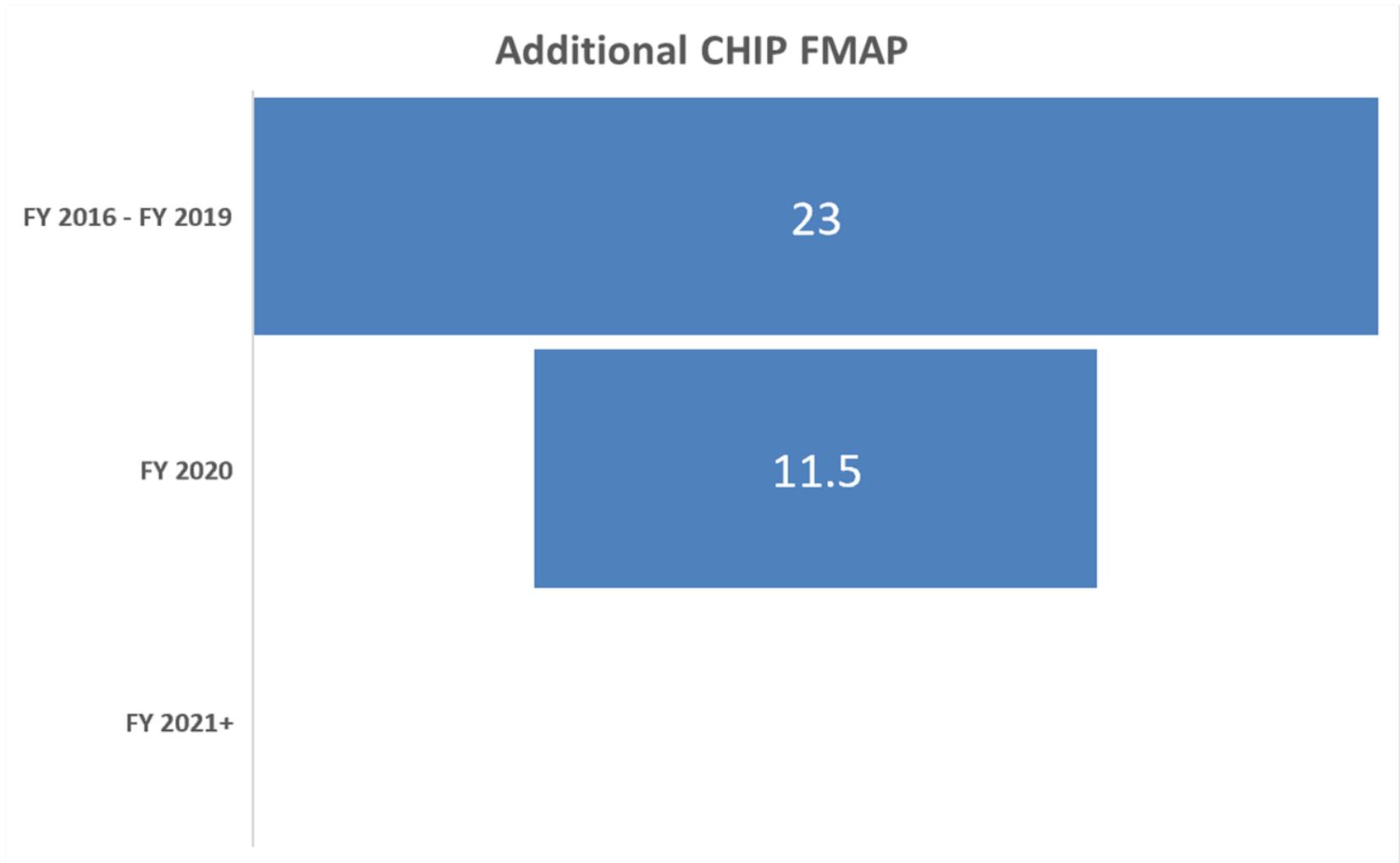
- Community Health Centers
- National Health Service Corps
- Pregnancy Prevention, others
- \$4.7 billion

Older Americans (9/30/19)

- Discretionary
- \$2 billion



The CHIP dip looms large

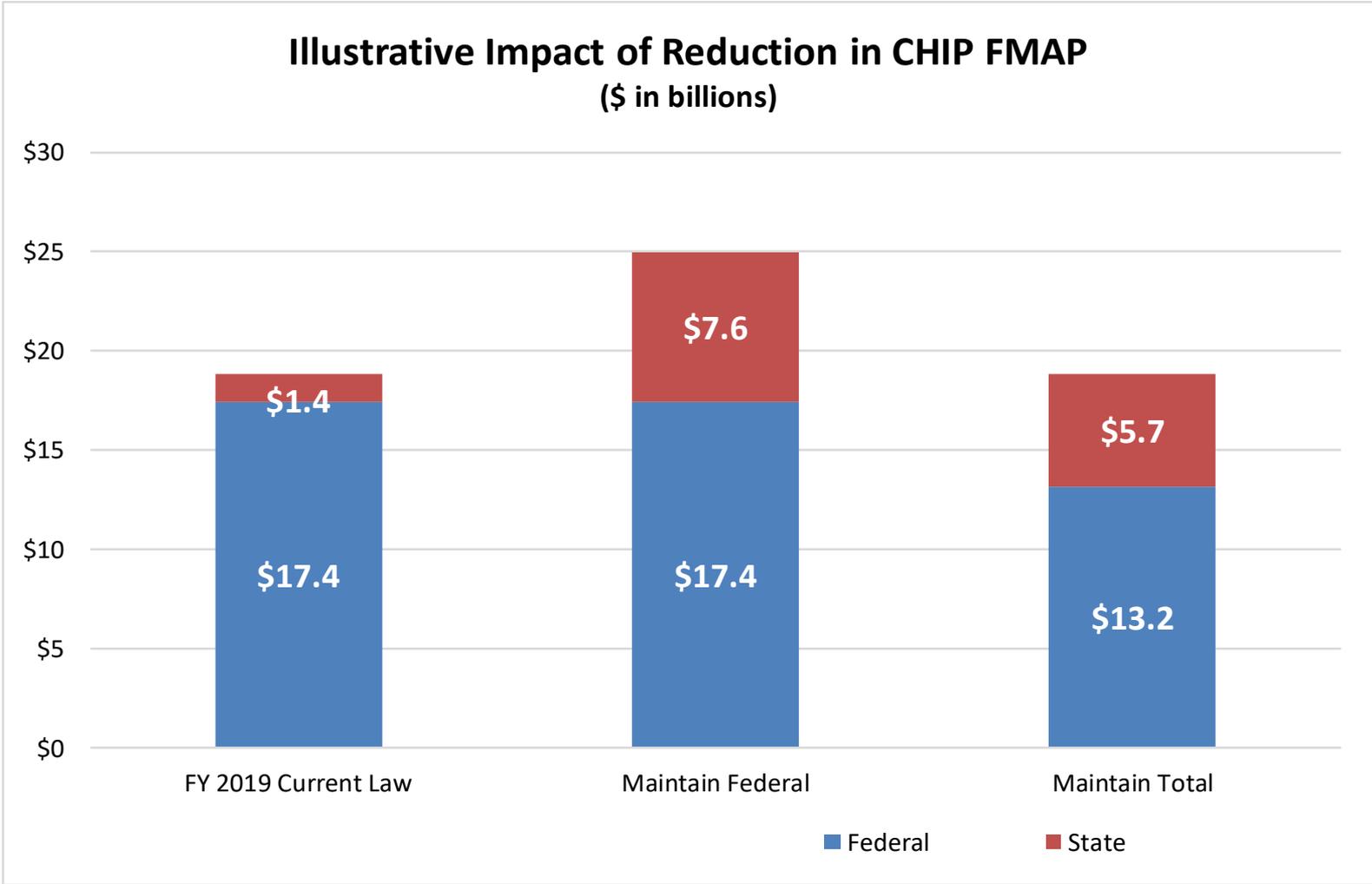




The CHIP dip by state

Reductions in CHIP FMAP, FY 2019 to FY 2021			
Greater than 23.0	Exactly 23.0	20-22.99	Less than 20.0
Oregon	Alaska	Colorado	Arkansas
Nevada	California	Georgia	Oklahoma
Maine	Connecticut	Minnesota	Alabama
Tennessee	Maryland	Wisconsin	Kentucky
Hawaii	Massachusetts	Ohio	New Mexico
Illinois	New Hampshire	Missouri	West Virginia
Montana	New Jersey	Vermont	Mississippi
Michigan	New York	Delaware	
Indiana	Virginia	Rhode Island	
Pennsylvania	Washington	Florida	
North Carolina	Wyoming	Utah	
	Puerto Rico & Territories	Iowa	
		Louisiana	
		North Dakota	
		District of Columbia	
		South Dakota	
		Kansas	
		Arizona	
		Idaho	
		South Carolina	
		Texas	
		Nebraska	

More on the CHIP dip





FMAP projections

Projected Change in FMAP, FY 2020 to FY 2021

Increase

North Dakota
South Dakota
Nebraska
Oklahoma
Texas
Iowa
Kansas
Louisiana
New Mexico
Montana
Vermont
Kentucky
Ohio
Idaho

Delaware
Mississippi
Rhode Island
South Carolina
Arizona
Wisconsin
Michigan
Missouri
Florida
Arkansas
Minnesota
Alabama
North Carolina
Colorado

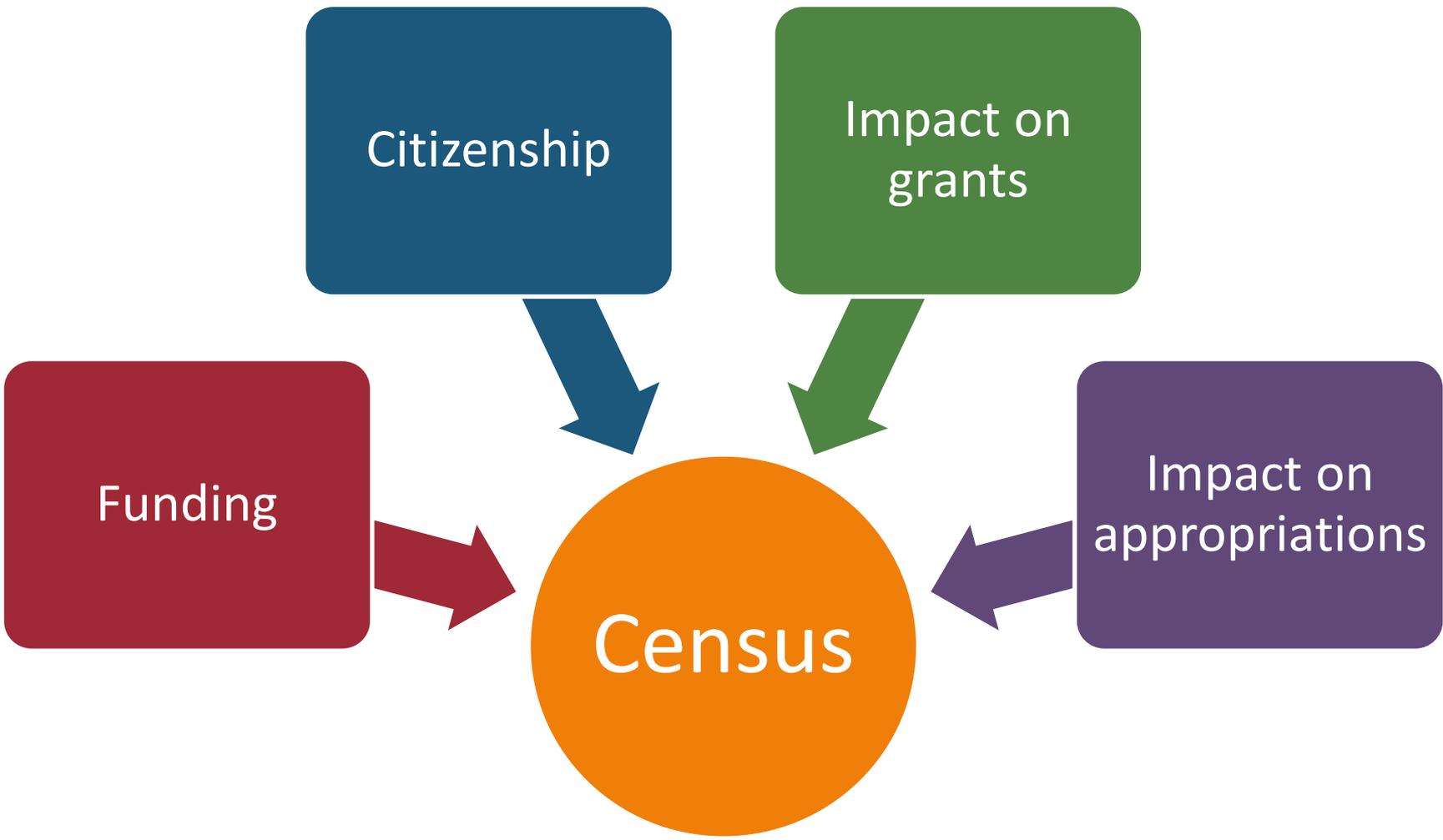
Decrease

Nevada
Hawaii
Utah
Illinois
Georgia
Oregon
Maine
Pennsylvania
Tennessee
Indiana
West Virginia

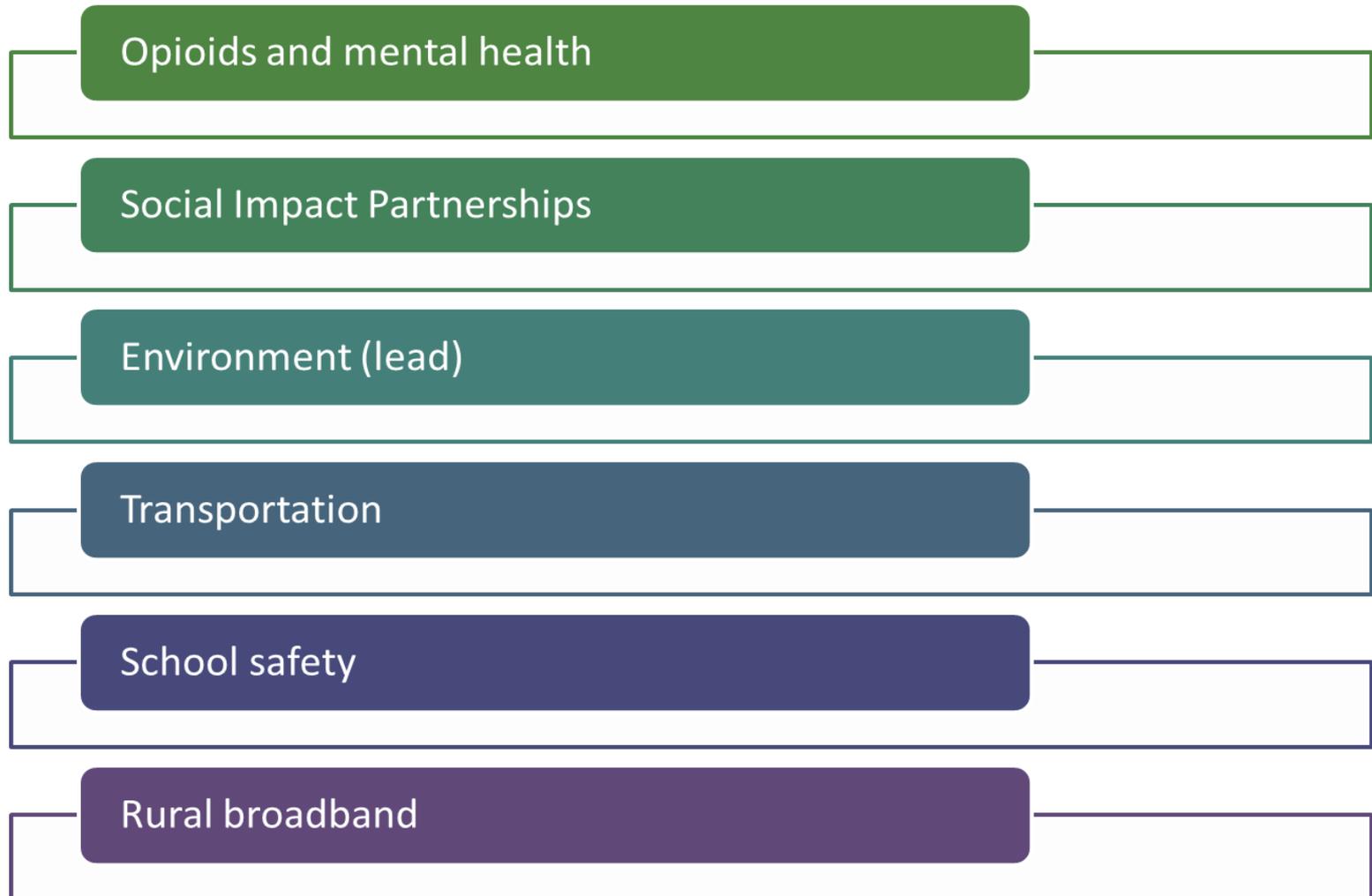
No change

Alaska
California
Connecticut
District of Columbia
Maryland
Massachusetts
New Hampshire
New Jersey
New York
Virginia
Washington
Wyoming
Puerto Rico & Territories

2020 census sets 10-year baseline



Favored funding in recent years



What's in play

FY 2020
Appropriations

- New budget agreement?
- Tied to debt limit?
- Tied to everything!

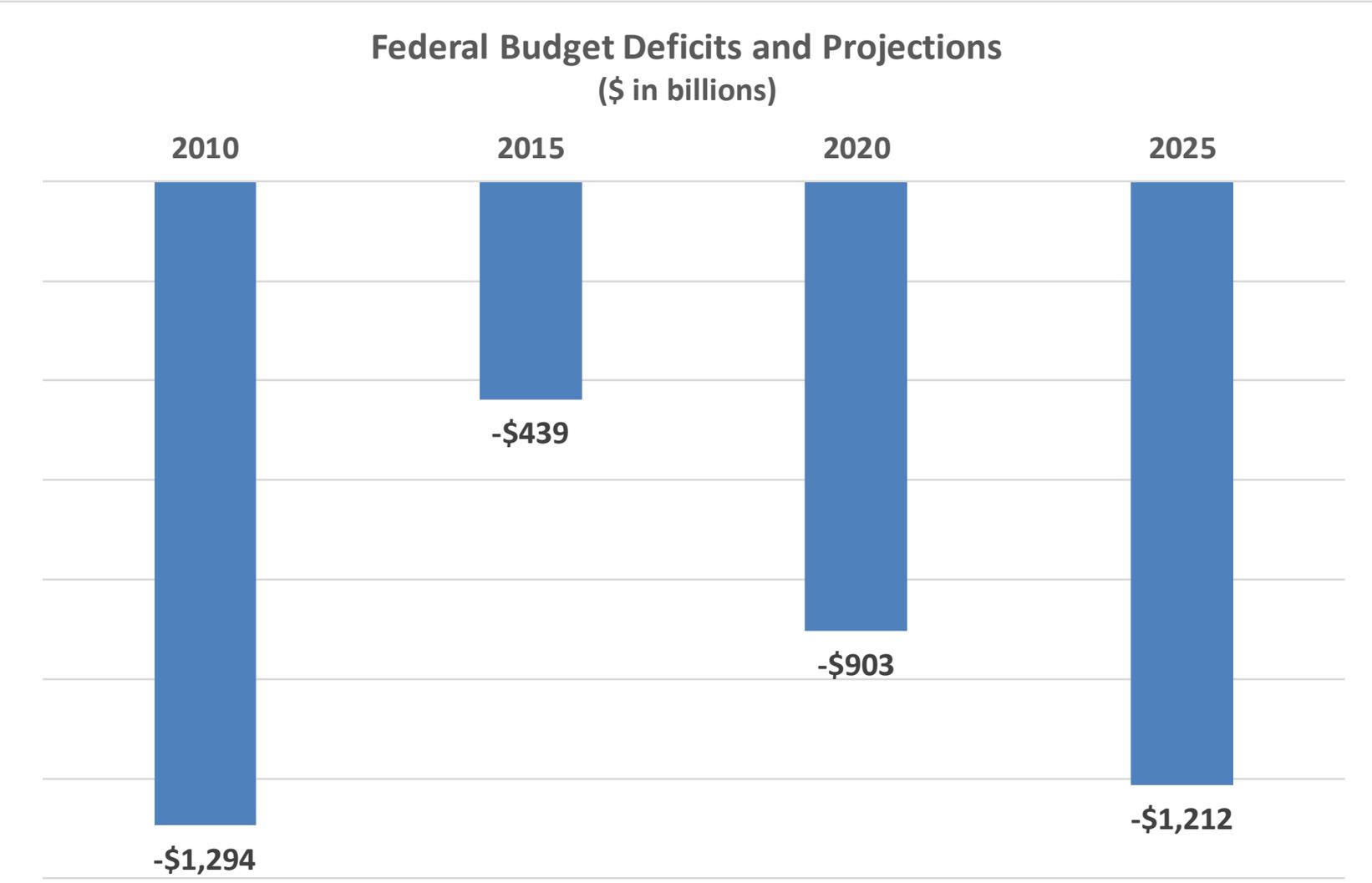
And?

- Lots of activity
- Little action
- Everything linked to the election cycle

Risks to States

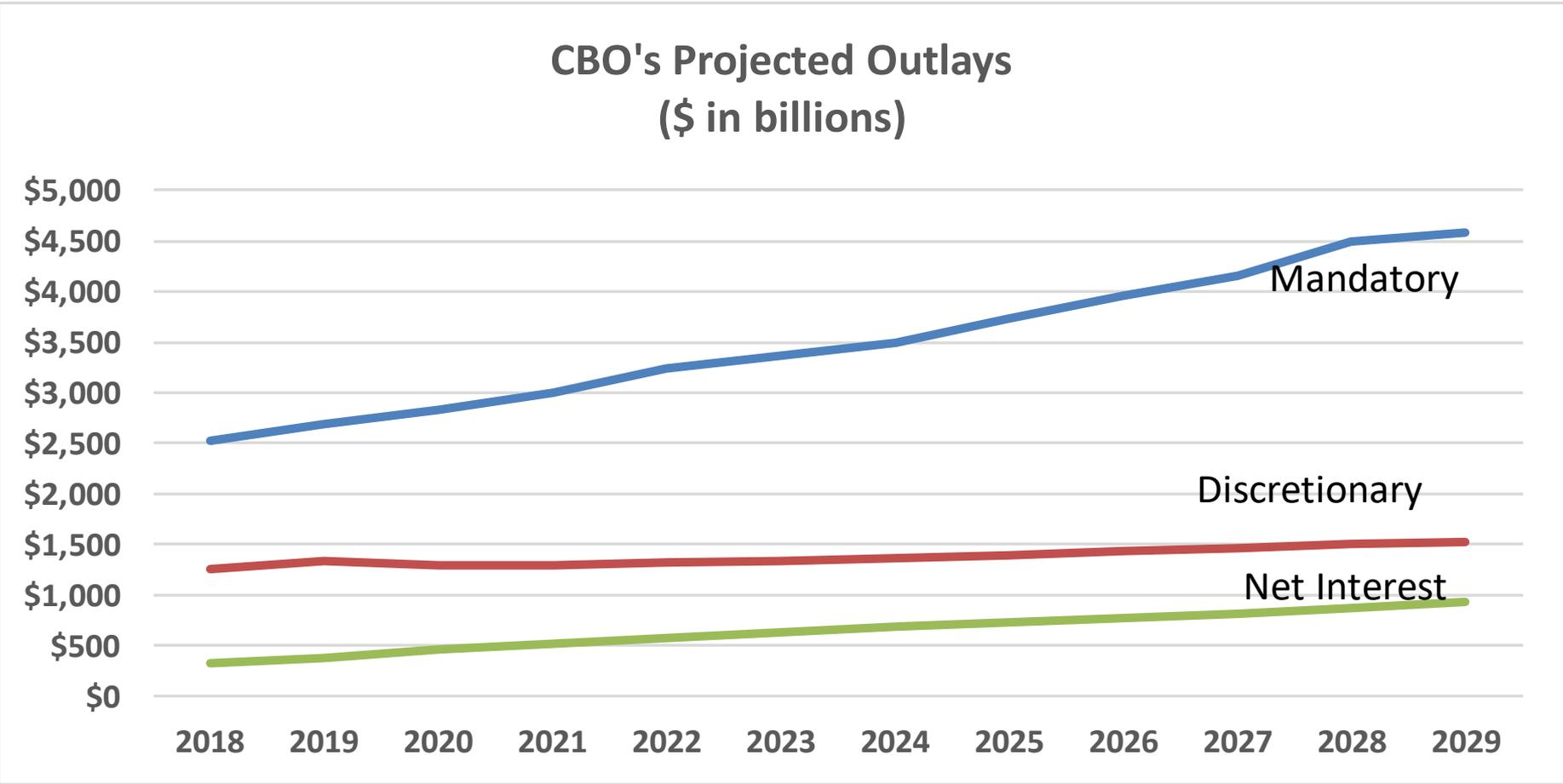
- Budget deficit re-emerges as a political hot potato
- Federal shutdowns are no longer unthinkable

Reality check #1



Source: CBO Budget and Economic Outlook: 2019-2029

Reality check #2





Questions?

Check for updates at www.ffis.org

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